

To Sam's Clubs in 1200

To: 2210 - Atlanta ROU, 2110 - Winston-Salem ROU, 1710 - Pittsburgh ROU, Letourne, Paul,
1810 - Cincinnati ROU (WEBSTES), 6610 - Denver ROU, 6210 - Chicago ROU,
2610 - Dallas ROU, 6710 - Detroit ROU, 5110 - No. California ROU (FLOTTMD),
6910 - St. Louis ROU (PETERSA), 1210 - New York ROU (ALVICHA),
5810 - Houston ROU (HOWARDC), 6310 - Minneapolis ROU (OBERGM),
5610 - Seattle ROU (SCOTTS), 5410 - S. California ROU (PECKHAK),
1310 - Philadelphia ROU (METZG), 1110 - Boston ROU (PROVENL),
2310 - S. Florida ROU (FINKLEP), 1610 - Buffalo ROU (BRZEZIE),
2910 - Richmond ROU (COLEMAF)
DDA:MSMAIL=RJRWS/RJRPO4/1000; O=RJREM; P=WSX400; A=RJR; C=US
DDA:MSMAIL=RJRWS/RJRPO4/2000; O=RJREM; P=WSX400; A=RJR; C=US
DDA:MSMAIL=RJRWS/RJRPO4/5000; O=RJREM; P=WSX400; A=RJR; C=US
DDA:MSMAIL=RJRWS/RJRPO4/6000; O=RJREM; P=WSX400; A=RJR; C=US
DDA:MSMAIL=RJRWS/RJRPO4/MAGUIRJ; O=RJREM; P=WSX400; A=RJR; C=US
DDA:MSMAIL=RJRWS/RJRPO4/STOCKDB; O=RJREM; P=WSX400; A=RJR; C=US

From: Washburn, M
Posted: 2/14/96 12:19
Opened: 2/15/96 12:19
Subject: Sam's Club 1996 DPC Calendar, Ordering

Ladies & Gentlemen:

The following attachments are being mailed directly to all Sam's Clubs selling cigarettes on 2/16/96. The direct mailing is in response to concerns by club management that the right people in the clubs have not received the information on our 1996 plan from Bentonville.

The letter follows up my presentation on DPC to all club General Managers and Directors of Operations at Sam's Year Beginning Meeting in Tampa last week. The calendar and log sheet are tools to assist the clubs choosing to participate in DPC.

The guidelines for DPC have been reiterated with each club based on our 1996 plan. There is one major change in how orders for DPC quantities will be handled. (#1) Please communicate this change below to your people:

1. Per the calendar, all clubs must submit DPC orders via "PROFS" (e-mail) to Kelly Harris in Bentonville, ID# KLHARRI. This is the only way orders will be accepted. Sam's will be responsible for the quantities they order, no returns to McLane authorized.
2. Our people calling on Sam's should consult/assist the clubs in targeting/developing the list for DPC. Guidelines should be reviewed with the club marketing and cigarette team leaders.
3. ROU's should consider Sam's when allocating DPC shippers within the region.
4. Kelly and I will review quantities by club before asking for transfers from regions, ensuring realistic number of shippers are ordered.

Sam's operates on low margin/high volumes in the cigarette category. I would recommend that RJR field sales people calling on the clubs approach DPC from the angle of adding margin back into the category as indicated in the attachment. You may want to figure the actual margin for your specific club(s). I would also position DPC as a benefit to the small business member.

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As information, Sam's will be submitting a "test tape" to RJR soon on sales data down to the member level, just like McLane does for Partners, AIM, etc. This information will allow us to better target DPC, VAP accounts. Will advise results when available.

Thanks for your support with Sam's.

Marty Washburn
National Account Manager-Wal*Mart

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